



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 24, 2009

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Renewable Energy Secure Communities (RESCO) Grant Application

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the City Administrator to Submit a Renewable Energy Secure Communities (RESCO) Grant Application to the California Energy Commission (CEC) for \$2 Million to Initiate the Design and Installation of Renewable Energy Projects for Municipal Facilities.

DISCUSSION:

BACKGROUND

The California Energy Commission Public Interest Energy Research (PIER) Program awards grants annually to public agencies and non-profit organizations that are pursuing development and demonstration projects that advance energy science and technology. The Commission is currently soliciting grant proposals for Renewable Energy Secure Communities (RESCO) funding to help communities take advantage of local renewable energy resources and demonstrate viable energy technologies for other communities. The Commission is funded by the public goods charge paid by California ratepayers for electricity and natural gas use.

The Commission defines a RESCO as a community that secures its energy supply primarily through local renewable energy resources, becoming less vulnerable to interruptions and emergencies affecting the supply of imported energy from grid electricity, natural gas, and transportation fuels. The RESCO grant will enable agencies to build upon past work such as preliminary research, feasibility studies, and existing renewable technologies to avoid duplicating work efforts and accelerate the implementation of viable technologies in other communities.

The City of Santa Barbara has successfully implemented renewable energy and energy efficiency projects to reduce consumption of grid electricity. In 2002, the City converted traffic signals citywide to energy-efficient LED (Light Emitting Diode) lights. An award-winning fuel cell generator was built at the El Estero Wastewater Treatment Plant in 2006 to convert methane to electricity. Most recently, the City completed the installation of a 300 kW solar photovoltaic system at the Public Works Corporate Yard.

To reduce electricity consumption and greenhouse gas emissions, City staff has explored other opportunities to implement renewable energy projects at City facilities. The RESCO grant will fund a minimum of three renewable energy technologies to help cities achieve reduce electricity consumption for community facilities. Staff is proposing to submit the following projects for RESCO grant funding:

- Small-scale hydro-electric plant at the Cater Water Treatment Plant which involves reactivating an existing generator to produce electricity;
- Biogas/biomass conversion project at the El Estero Wastewater Treatment Plant that uses brown grease and foodscraps from restaurants to produce electricity; and
- Solar photovoltaic installation at the new Airport Terminal facility that would produce electricity for Airport operations.

These projects would produce reliable renewable energy and reduce greenhouse gas emissions from City facilities by 15% – 20%.

The grant application will request \$2 million in RESCO funds, assuming a 50% matching fund requirement from the Water Resources Fund and Airport Fund within the timeframe of August 2009 to September 2012. There are funds available to meet this matching requirement.

PREPARED BY: Nina Johnson, Assistant to the City Administrator

SUBMITTED BY: Jim Armstrong, City Administrator

APPROVED BY: City Administrator's Office